

Information, training vouchers and adult learning: Evidence from a randomized field experiment

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Motivation

- Stimulating training is on the top of the political agenda in many countries.
 - To achieve this aim, training vouchers that reduce the costs of participation in adult education (e.g. course fees) were introduced in many European countries in the last decade.
 - The small literature concerned with analyzing the potential of training vouchers to increase training participation finds mixed results (see e.g. Abramovsky et al. 2011, Schwerdt et al. 2012).
- Research Question:**
- Does providing information about the availability and conditions of a voucher program increase training participation?

The Voucher Program and Data

- Starting in 2008, the training voucher program *Bildungsprämie* reduces training costs by 50% up to 500 Euro. 2/3 of the German workforce with lowest income are eligible for the voucher (i.e. 25 mill. workers).
- Data:**
- The data was collected with the specific purpose of program evaluation. Telephone interviews were conducted with a representative sample of eligible employees in 2010. The second panel wave was surveyed in 2011.
 - Besides questions on socio-demographics, current employment characteristics and previous training participation, an experiment was conducted informing eligible employees about the voucher program.

The Experiment

- In the first panel wave, the information treatment was provided to a randomly chosen 50 percent of the survey participants. In the telephone interview, the treatment group learned about the voucher, its conditions, how to apply and how to get further information of the program. The information treatment took around 5 minutes.
- After six month, both treatment and control group received a letter announcing that the second interview is upcoming soon. Only the treatment group received further information on the voucher program in this letter (e.g. voucher conditions and the URL of the program website).
- 2,501 individuals received the treatment and 2,518 did not. In the second wave, 1,516 treated and 1,594 controls participated in the survey. The panel retention rate is similar for both groups (61% vs. 63%).
- The treatment and the control group have similar characteristics (Table 1).

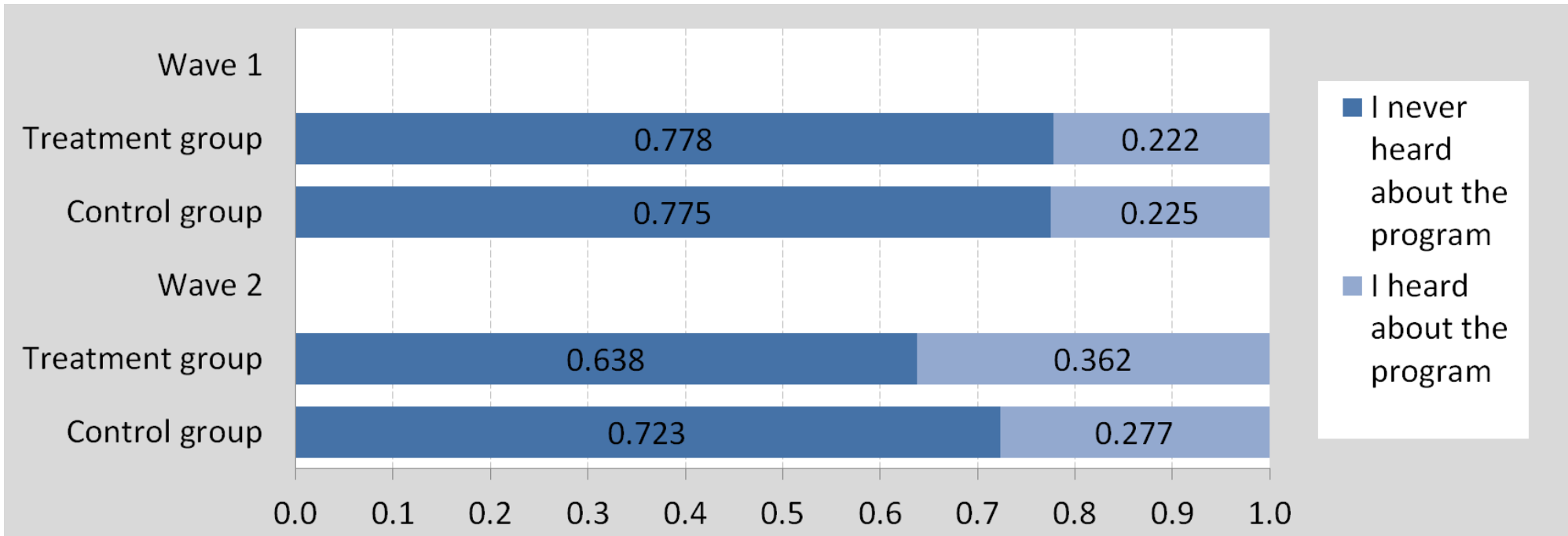
Table 1. Descriptive statistics in the pre-treatment period

	Treatment	Control	Difference	t-stat
Female	0.543	0.517	0.025	1.25
Age	44.1	44.6	-0.5	-1.34
Migration background	0.185	0.193	-0.008	-0.55
East Germany	0.225	0.242	-0.017	-1.01
Cohabiting with partner	0.801	0.802	-0.001	-0.07
Having children	0.399	0.372	0.027	1.38
No vocational education, no college	0.038	0.034	0.004	0.63
Vocational education, no college	0.757	0.763	-0.006	-0.34
With college degree	0.204	0.200	0.003	0.19
Training participation during previous year	0.425	0.422	0.003	0.13
Number of training courses in previous 2 years	2.305	2.213	0.092	0.52
Observations	1,516	1,594		

Results

- Figure 1 shows that the information treatment increased the knowledge about the program (t-stat of diff. in means in 2nd interview: 4.5)

Figure 1. Knowledge about the voucher program by treatment group



- The intention to treat effects (ITT) are estimated by regressing training indicators on the treatment variable in addition to covariates (see Table 2).
- There is no significant effect of the information treatment on training.

Table 2. ITT effects of the information treatment on training activities

	Probability of training participation			Number of training courses	
	OLS	OLS	Fixed effects	OLS	OLS
Treatment effect	0.0054 (0.0202)	0.0026 (0.0182)	0.0029 (0.0219)	0.0614 (0.0789)	0.0053 (0.0735)
Covariates	No	Yes	Yes	No	Yes
Observations	3,110	3,110	6,220	3,109	3,109

Notes: Coefficients from the ITT regressions are shown. Robust standard errors are presented in parentheses.

Conclusion

- The information treatment did not affect training participation.
- Providing the information treatment – as described above – to all eligible employees would not stimulate employees’ training activities.
- Further analyses show that the information treatment had no impact on voucher demand. The non-existent effect of information on training, thus, results from a non-existent effect of information on voucher demand.

Literature

Abramovsky, L., E. Battistin, E. Fitzsimons, A. Goodman and H. Simpson (2011), Providing employers with incentives to train low-skilled workers: Evidence from the UK employer training pilots. *Journal of Labor Economics* 29(1), 153-193.

Schwerdt, G., D. Messer, L. Woessmann and S. Wolter (2012), The impact of an adult education voucher program: Evidence from a randomized field experiment. *Journal of Public Economics* 96, 569-583.